

NOTICE OF PROPOSAL

The St. Louis Development Corporation ("SLDC") is soliciting written proposals from Certified Public Accounting firms to provide Annual Audit Services for SLDC, its constituent agencies, and various projects and funds under SLDC's control.

The audit services must be performed in accordance with generally accepted auditing standards for financial audits contained in the Governmental Auditing Standards issued by the Comptroller General of the United States. The audit services must be performed in accordance with generally accepted auditing standards as promulgated by the Governmental Accounting Standards Board; the National Council on Government Accounting; Guidelines for Financial and Compliance Audits of Federally Assisted Programs; the OMB Circular A-87; the provisions of OMB Circular A-133 Audits of State and Local Governments; the asset forfeiture guidelines as promulgated by the United States Department of Treasury and the Department of Justice, as applicable; and any other compliance supplements approved by the Office of Management and Budget.

SLDC reserves the right to negotiate with any or all bidders regarding the proposals, to award the contract to a firm other than the firm submitting the lowest cost proposal, without negotiation, and to reject any or all bids.

The bidder shall submit his/her proposal in accordance with the guidelines herein. Proposals (10 copies) must be received no later than April 15, 2016 by 4:00P.M. in order to be considered. Each set of proposals should be in a sealed envelope clearly marked "Bid Proposal for SLDC Audit Services" and delivered to Mr. Chris Maguire, Accounting Manager, 1520 Market Street, Suite 2000, St. Louis, Missouri 63103.

I GENERAL INFORMATION AND INSTRUCTIONS

- 1.1 Number of Copies: Place and Time for Filing.** Ten (10) copies of each proposal shall be submitted in a sealed envelope to Mr. Chris Maguire, Accounting Manager, and 1520 Market Street, Suite 2000, St. Louis, MO 63103 by 4:00P.M. on April 15, 2016. **Any proposals not submitted as required will not be considered.**
- 1.2 Further Information.** Any firm desiring further information should contact Mr. Chris Maguire, Accounting Manager, in **Writing** at the above address by April 15, 2016. Responses to inquiries will be in writing. A file of inquiries and responses will be maintained at his office for public inspection.
- 1.3 Procedures.** SLDC reserves the right to select the names of at least three firms that appear best qualified to provide the services desired and to invite those firms to appear at a designated time and place for an oral presentation and interview.
- 1.4 SLDC's Rights With Respect to Proposals.** The St. Louis Development Corporation reserves the right to establish further criteria for evaluation of qualifications, to require additional submissions, to waive any informality in submissions, to reject any or all submissions and to negotiate with successful parties.
- 1.5 Independence.** The audit must be made by an independent auditor or auditors. An "independent auditor" means a public auditor who meets the independence standards specified in the generally accepted governmental auditing standards and generally accepted auditing standards.
- 1.6 Minority Firm Participation.** The St. Louis Development Corporation encourages majority owned firms to subcontract with CPA firms owned and controlled by socially and economically disadvantaged individuals. The use of minority firms must be noted in your proposal and will be part of the criteria used to evaluate the proposal. SLDC reserves the right to approve all firms used in the audit. The auditing firm selected may not make reference to other auditors in its audit report and thus must review the subcontractor's work in accordance with Generally Accepted Auditing Standard Guidelines.

II DESCRIPTION OF ENTITY AND RECORDS TO BE AUDITED

2.1 Background. The St. Louis Development Corporation ("SLDC") was established in 1989 and is a Missouri not-for-profit corporation.

SLDC is an umbrella organization which provides staffing for six development agencies as follows: Land Clearance for Redevelopment Authority ("LCRA"), Land Clearance for Redevelopment Authority Holding Corporation ("LCRA Holding Corp"), Planned Industrial Expansion Authority ("PIE"), Industrial Development Authority ("IDA") Local Development Company ("LDC"), Land Reutilization Authority ("LRA") and the Port Authority of the City of St. Louis.

Each development agency has similar but unique functions, all of which relate to enhancing economic development in the City of St. Louis, and require separate financial reports. Accounting is performed on a modified accrual basis. All records are maintained on a Local Area Network using Sage Nonprofits Solution's MIP Fund Accounting Program. Computer printouts including General Ledgers, Check Registers and Account histories will be provided for the Auditors use.

III SCOPE OF SERVICES REQUIRED

3.1 Comprehensive Annual Audit. The auditor will prepare and issue an auditor's opinion on SLDC's Comprehensive Annual Financial Report in accordance with generally accepted auditing standards. The report should include all the statements outlined in Exhibit A

SLDC will allow, but does not require, the firm to subcontract a portion of its audit to another CPA. If the firm subcontracts a portion of this audit, the specific responsibilities of the subcontractor(s) should be noted in the proposal. SLDC reserves the right to approve the firm to whom the work is to be subcontracted. If the auditing firm subcontracts a portion of the audit, it may not make reference to them in its report and must review the subcontractor's work in accordance with Generally Accepted Auditing Standard guidelines. SLDC strongly encourages the participation of minority firms.

As previously mentioned, SLDC's books are on the modified accrual basis of accounting. SLDC will furnish all necessary documents requested as part of the audit and staff will be available to provide support on an as needed basis. Work space will be provided within the SLDC office for auditors to conduct fieldwork.

SLDC also requires that one main exit conference be held prior to the issuance of the report and in sufficient time for SLDC to respond to any findings or questioned costs. In addition, a final copy of the report should be sent to the Federal Audit Clearinghouse.

3.2.1 A-133 Audit. The auditing firm must also perform a Financial Compliance Audit under the Single Audit Act of 1984, Public Law 98-502, as amended in 1996, Public Law 104-156, which states that each local government that receives \$750,000 or more in federal financial assistance in a fiscal year is subject to the requirements of the Act and any implementing regulations prescribed by the OMB. The OMB has issued its new Circular A-133 which outlines the single audit in accordance with the Standards for Audit of Governmental organizations, Programs, Activities, and Functions, developed by the Comptroller General ("GAO"). The audit shall cover the entire operations of SLDC and the agencies and various funds under its jurisdiction.

OMB circular A-133 specifies that the auditor shall determine whether:

- The financial statements of the government, department, agency or establishment present fairly its financial position and results of its financial operations in accordance with generally accepted accounting principles.
- The organization has internal accounting and other control systems to provide reasonable assurance that it is managing federal financial assistance programs in compliance with applicable laws and regulations.
- The organization has complied with laws and regulations that may have material effect on its financial statements and on each major federal assistance program.

The A-133 portion of the audit report is required to contain the following:

1. A statement that the audit was made in accordance with the provisions of OMB Circular A-133.
2. The auditor's opinion on the financial statements and on a schedule of federal assistance, showing the detailed expenditures for each Federal assistance program as identified in the Catalog of Federal Domestic Assistance, and all other Federal programs and grants which have not been assigned catalog numbers.
3. The auditor's study and evaluation of internal control systems which must identify the organization's significant internal accounting controls and those controls designed to provide reasonable assurance that Federal programs are being managed in compliance with laws and regulations. The report must identify the

controls which were not evaluated and the material weakness identified as a result of the evaluation.

4. The auditor's report on compliance containing:
 - (a) A statement of positive assurance with respect to those items tested for compliance including compliance with laws, rules and regulations pertaining to non-major programs and other items which could have a material effect on financial reports and claims for advances and reimbursements. In addition, the auditor's report must disclose whether the organization has complied with laws and regulations that may have a material effect on each major federal assistance program.
 - (b) A statement of negative assurance on those items not tested.
 - (c) A summary of all instances of noncompliance.
 - (d) An identification of total amounts of costs questioned, if any, for each Federal Assistance award as a result of noncompliance.

Finally, any instances of fraud, waste and illegal acts, or indications of such, must be covered by separate written report to the Federal department which provided the Federal assistance funds.

- 3.3 **Management Letter (Comments).** SLDC requests a Management Letter addressing all non-compliance with procedures, recommendations for improvement of other findings noted by the firm during its audit.
- 3.4 **Record Retention.** The auditors must agree to make all work papers and reports prepared or obtained during the course of the audit available during the audit and for a period of three years after issuance of the audit reports, without cost, to representatives of appropriate Federal Agencies, the GAO or to representatives of SLDC and the City.
- 3.5 **Issue Date.** SLDC requires that this audit report be issued on or about 10/31/20xx following the audited year end. The auditing firm will duplicate and submit sufficient copies of the report for proper distribution. In the past, this has required about twenty-five (25) copies of the report.

IV THE PROPOSAL: FORM AND ATTACHMENTS

- 4.1 Experience.** An affirmation that the proposing firm is currently a licensed Certified Public accounting firm registered in the State of Missouri for public practice should be included. Firms must provide a history of their experience in performing quasi-governmental agency audits and other experience they feel is important in determining qualifications. A list of current and prior governmental audit clients and references also should be provided.
- 4.2 Approach.** Firms should include information concerning their approach on the audits including:
- An estimated timetable.
 - Use of audit programs and sampling techniques.
 - Use of subcontractors, in particular, minority firms.
 - Information about key personnel assigned to the audits.
 - Other relevant information.
- 4.3 Independence.** An affirmation that the firm meets the independence requirements specified in the generally accepted governmental auditing standards must be included.
- 4.4 Compensation.** Firms shall submit the charge rates and number of hours estimated to be worked for each personnel category expected to be used during the Audit. SLDC wishes to enter into a contract with a maximum not to exceed fee. The bid should include costs for each of the next five annual audits beginning June 30, 2016. Year four and five may be considered optional at the discretion of the St. Louis Development Corporation.
- 4.5 Minority Firm Participation.** All proposals must indicate the name of the minority firm(s) and the planned extent of the participation. Include the percent of participation and dollar amount of their participation. Currently, the City's MBE participation goal is 25% and WBE is 5%.
- 4.6 Good Standing.** An affirmation that the firm is current in all taxes and licenses due to the City of St. Louis must be included.

V SELECTION CRITERIA

5.1 Evaluation Criteria. The proposals will be evaluated on the following criteria:

- Specialized experience in quasi-governmental agency audits.
- Approach to the audits.
- Capability of the firm to perform the work in question within the time limitations noted.
- Experience of the personnel assigned to the audit.
- Past record of performance of the firm with respect to such factors as control of costs, quality of work and ability to meet schedules.
- Proposed cost of the services required.
- Use of minority firms.

VI MISCELLANEOUS

6.1 Unforeseen Problems. Problems or areas of concerns which may arise or which were inadvertently omitted in this Request for Proposals may be negotiated between SLDC and firms.

6.2 Captions. Captions of paragraphs of this Request for Proposals are for convenience only.

6.3 Work papers. Copies of significant work papers are to be made available to the SLDC.

6.4 Response Content. To facilitate the review process, please keep responses as **concise as possible**. Please do not include any corporate annual reports, promotional materials, or other extras.

ST. LOUIS DEVELOPMENT CORPORATION

FINANCIAL REPORTING

General Purpose Financial Statements/Reports

1. Statement of Net Position
2. Statement of Activities
3. Balance Sheet Governmental Funds
4. Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
5. Statements of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds.
6. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.
7. Statement of Net Position -Proprietary Fund
8. Statements of Revenues, Expenses, and Changes in Net Position -Proprietary Fund
9. Statement of Cash Flows -Proprietary Fund
10. Combining Statement of Net Position
11. Combining Statement of Revenues, Expenses, and Changes in Net Position
12. Statement of Net Position –LCRA
13. Statements of Revenues, Expenses, and Changes in Net Position -LCRA
14. Management Discussion and Analysis
15. Schedule of Expenditures of Federal Awards

